




OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive

MEMORANDUM

January 15, 2009

TO: Phil Andrews, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Recommended FY10 Capital Budget and  
Amendments to the FY09-14 Capital Improvements Program (CIP)

I am pleased to transmit to you, in accordance with the County Charter, my recommended FY10 Capital Budget and Amendments to the FY09-14 Capital Improvements Program (CIP). My recommendations are limited to amendments required to fund critical capital needs. However, I have also shifted funds in existing projects to reflect more realistic implementation plans, which has provided some fiscal capacity in the earlier years of the CIP to fund other priorities. The fiscal summary and highlights of my recommendations are presented below with details provided in the attachments.

**Fiscal Summary**

The fiscal plan underlying my recommended CIP assumes borrowing consistent with the Spending Affordability Guidelines (SAG) approved by Council in February 2008 and the CIP adopted in May 2008. The approved levels assume General Obligation and Park and Planning bond issuances for the six-year period of \$300 million and \$5 million per year, respectively, and include reasonable set-asides to cover potential, additional funding requirements. I do not recommend increasing SAG in February, and urge the Council to resist doing so as we need to maintain responsible debt capacity levels necessary to ensure continuation of Montgomery County's AAA credit rating. Also, increased debt service requirements significantly impact our ability to sustain a balanced budget.

Given our current severe fiscal constraints and estimated FY10 budget gap, I have removed \$30 million in FY10 pay-as-you-go (PAYGO) funding from the CIP to be redirected for other uses. For each of the subsequent fiscal years of the six-year program, I have retained PAYGO levels at ten percent of the GO bond issuances assumed each year, or \$30 million.

At this time, I propose that our tax-supported current revenue funding assumptions remain unchanged except for a \$3.5 million reduction in FY10 to reflect a shift in expenditures from six elementary school addition projects that will be delayed due to scope changes. The amended CIP will provide for additional classrooms at those six schools.

### **Children Prepared to Live and Learn**

These recommendations demonstrate my commitment to quality education by supporting funding for Montgomery County Public Schools (MCPS), Montgomery College, and other MCPS-based initiatives as follows.

### **Montgomery College**

I recommend that we continue our investment in expanded Montgomery College facilities to serve the growing student population. Consequently, I support the College's request for \$81.6 million in construction funding of the new Bioscience Education Center, including the required access road, at the Germantown campus. My recommendation assumes equal participation, or \$40.8 million in State Aid. For fiscal reasons, I have deferred a small portion of the local funding requested (\$3 million) to a subsequent year; however, this should not delay the project implementation plan. It is my recommendation that the County's local funding match and appropriation be contingent on the availability of State Aid funding. As always, we will continue to work with our State Delegation to assure the State's participation.

Funding has been provided as requested for cost adjustments to the Rockville Science Center and Roof Replacement Projects. However, I recommend that we maintain the approved level of effort for the Planning, Design, and Construction Project and defer adding equipment cost escalation to the Health Sciences Expansion project.

### **Montgomery County Public Schools (MCPS)**

The Board of Education has requested an increase over FY10-14 of \$15.6 million. My recommendations support the MCPS' entire request except for \$0.5 million specified for a new Water Quality Compliance study. I support compliance with the new stormwater management requirements promulgated by the State, but recommend deferring this project until the scope of work and cost estimates are more clearly defined. The amended CIP will provide for additional classrooms at Brookhaven Elementary School, Fairland Elementary School, Harmony Hills Elementary School, Jackson Road Elementary School, Montgomery Knolls Elementary School, and Rock View Elementary School due to projected increased enrollment, as well as, HVAC replacement at certain facilities.

## **Health and Human Services (HHS) and MCPS**

Consistent with my priorities in the areas of education and health and human services, I recommend funding to renovate the Linkages to Learning Center at Fox Chapel Elementary School in order to improve the capability to provide HHS needs at this site. I also support construction funding for the first County High School Wellness Center at Northwood High School.

## **Affordable Housing in an Inclusive Community**

The Housing Opportunities Commission (HOC) has requested funding to modernize fire protection systems at four properties housing low-income, independent seniors. Executive staff worked with HOC representatives to refine the cost estimates and I have recommended full funding for these systems over a three-year period. I have not supported HOC's request to replace anticipated shortfalls in Housing and Urban Development (HUD) funding for the Supplemental Funds for Public Housing project, as I believe we need to explore other mechanisms to assure continued Federal support for this program.

## **An Effective and Efficient Transportation Network**

### **Roads and Bridges**

I maintain my commitment to funding the Clarksburg Town Center Connector Road to MD-355 in order to provide much needed access. This project, which is included in the Subdivision Roads Participation program, leverages contributions from our development partner. I also recommend accelerating the Burtonsville Access Road.

In order to complete road and bridge projects which address safety concerns, and have sustained cost increases due to escalating construction prices, I am recommending additional funding for the following: Father Hurley Boulevard Extended, White Ground Road Bridge No. M-138, Clarksburg Road Bridge No. M-0078B, and East Gude Drive Road Bridge No. M-131-4.

### **Mass Transit**

My amendments assume the use of Washington Metropolitan Area Transit Authority (WMATA) revenues to cover the cost increase for the Glenmont Metro Parking Expansion which will be designed and built by WMATA and will meet critical Metro parking needs. Further, although I remain firmly committed to maintaining the County's bus transit system, I am recommending that we delay a limited number of bus purchases and adjust our FY09 and FY10 bus purchase plan, due to a \$5 million reduction in FY09 State Aid for this program.

### **Safe Streets and Secure Neighborhoods**

Our surveys indicate a need for upgrades to the alerting system at our fire stations due to impending obsolescence. My amendments include funding for a new Fire Station Alerting System Upgrades project which provides for a phased system replacement plan over a period of four years. I also propose a new project to install streetlights on Wisteria Drive in Germantown between Great Seneca Highway and Sky Blue Drive to improve pedestrian safety and public safety.

### **A Responsive and Accountable County Government**

It is vital that we maintain our County infrastructure and for this reason, I am recommending an increase to the Environmental Compliance: Maintenance Facility project to upgrade and replace storage facilities at County Depots. I have also provided funds for structural repairs to the flooring system at the Red Brick Courthouse.

### **Technical Adjustments**

I propose shifting funds in a number of projects as detailed in the attached, to display more realistic schedules. These changes are updates to reflect current implementation plans and are not an imposition of delays for fiscal reasons.

My FY10 Capital Budget and FY09-14 CIP Amendments are highlighted in the pages immediately following and detailed in the attached specific FY09-14 project description forms for County Government, MCPS, Montgomery College, M-NCPPC, Revenue Authority, and the Housing Opportunities Commission and capture the priorities of my Administration. As required by State law, I am also providing today (under separate cover) my recommendations for both the FY10-15 Capital Improvements Program and FY10 expenditures for the Washington Suburban Sanitary Commission (WSSC).

Many people have helped to shape the recommendations I bring to you in this budget and I appreciate their efforts. I wish to thank the members of the Board of Education, the College Trustees, the WSSC Commissioners, and the Planning Board for their work.

As stated above, further recommendations relating to current revenue and other CIP initiatives will be provided once I have finalized my March 15 Operating Budget recommendations. I look forward to discussing with you any policy matters or major resource allocation issues that arise this spring. As always, Executive Branch staff is available to assist you in your deliberations on the Capital Budget and CIP.

IL:jdc

Attachments:

**Fiscal Summary Schedules.**

FY09-14 Biennial Recommended CIP – Budget Adjustments Summary  
General Obligation Bond Adjustment Chart  
General Obligation Bond Adjustment Chart Reconciliation  
Tax Supported Current Revenues Adjustment Chart  
Tax Supported Current Revenues Adjustment Chart Reconciliation  
M-NCPPC Bond Adjustment Chart

**Recommended Capital Budgets**

<b>Agency</b>	<b>Attachment</b>
MCG	FY10 Capital Budget: Appropriation, Partial Closeout and Closeout Lists
HOC	FY10 Capital Budget: Appropriation
Revenue Authority	FY10 Capital Budget: Appropriation
MCPS	FY10 Capital Budget: Appropriation, Partial Closeout and Closeout Lists
Montgomery College	FY10 Capital Budget: Appropriation and Closeout List
M-NCPPC	FY10 Capital Budget: Appropriation, Partial Closeout and Closeout Lists

**Project Description Forms**

c: Keith Miller, Executive Director, Revenue Authority  
Stephen Farber, County Council Staff Director  
Shirley Brandman, President, Board of Education  
Dr. Jerry Weast, Superintendent, Montgomery County Public Schools  
Annie B. Alston, Executive Director, Housing Opportunities Commission  
Royce Hanson, Chairman, Montgomery County Planning Board  
Dr. Brian K. Johnson, Ed.D, President, Montgomery College  
Teresa Daniell, Interim General Manager, Washington Suburban Sanitary Commission  
Executive Branch Department and Agency Directors  
Regional Services Center Directors